

PRESS RELEASE

GOJEK added US\$3 Billion (IDR 44.2 Trillion) in value to the Indonesian Economy: Survey by Universitas Indonesia

This added value is derived from the additional income earned by GOJEK's driver-partners, SME merchants, and talent partners after joining GOJEK

Jakarta, March 21, 2019 – GOJEK contributed IDR 44.2 trillion, or a little over US\$3 billion, in added value to the Indonesian economy, a new study by Lembaga Demografi, Faculty of Economics and Business, Universitas Indonesia (LD FEB UI) has found.

This added value is derived from the additional income earned by GOJEK's various partners, including driver-partners, small and medium enterprise merchants, and talent partners, after joining the GOJEK platform.

The 2018 study - titled "GOJEK's Impact on the Indonesian Economy" - looked at four of GOJEK's services: two-wheeler transportation service GO-RIDE; four-wheeler transportation service GO-CAR; food delivery service GO-FOOD; and on-demand lifestyle service GO-LIFE.

This research follows a similar study conducted by LD FEB UI in 2017, which found GOJEK's contribution to the Indonesian economy to be IDR 15.1 trillion¹ (US\$ 1.06 billion) from just two services: GO-RIDE and GO-FOOD.

Associate Director of LD FEB UI, Dr. Paksi C. K. Walandouw, says, "The increase in contribution from GOJEK to Indonesia's economy shows that technology accelerates the digital economy. As the leader in Indonesia's technology sector, GOJEK has proven its ability to innovate with its technology to widen earning opportunities for its partners."

GOJEK's various partners contributed to the Indonesian economy:

- GO-RIDE driver-partners are estimated to contribute IDR 16.5 trillion
- GO-CAR driver-partners are estimated to contribute IDR 8.5 trillion
- GO-FOOD's Small and Medium Sized Enterprise (SME) merchants are estimated to contribute IDR 18 trillion
- GO-LIFE talents (GO-MASSAGE and GO-CLEAN) are estimated to contribute IDR 1.2 trillion

Dr. Paksi adds, "GO-FOOD's SME merchants' contribution have increased by almost three times compared to the results from the 2017 study. One of the main factors behind this growth is the advancement of technology features within GOJEK's platform, that are increasingly being utilised by GO-FOOD's SME partners."

¹ By using the 2018 research method, GO-FOOD SME partners is estimated to contribute IDR 6.9 trillion in 2017.

The latest study also finds that the average income of GOJEK's driver-partners and GO-LIFE talents to be above the average minimum wage across the areas surveyed, nine major cities in Indonesia.

GOJEK's prominence in Indonesia's online food delivery business is also reflected in other findings of the research:

- 93% of GO-FOOD's SME merchants said that they went digital ("go-online") because they partnered with GO-FOOD.
- 93% of GO-FOOD's SME merchants saw an increase in transaction volume, and 55% of SMEs saw their revenue classification increased after joining GO-FOOD.
- 85% of SMEs invest revenues earned from GO-FOOD back to their businesses.

Partners' optimism towards partnership with GOJEK

The research revealed a high level of optimism among partners on their partnership with GOJEK. Majority of the respondents were found to be confident of their ability to provide a decent livelihood for their families by becoming a GOJEK partner (87% among GO-RIDE driver-partners, 92% among GO-CAR driver-partners, and 95% among GO-LIFE talents).

The research also identified the top three benefits of joining GOJEK's platform as perceived by GOJEK driver-partners. They were the flexibility around work hours; the financial ability to support their families; and having more time to spend with their families.

Furthermore, the research showed that the majority of respondents (over 84%) felt a strong sense of solidarity and comradery with their fellow driver-partners; had a positive view towards their partnership with GOJEK; and considered their partnership with GOJEK as fair.

Another interesting finding is that more than 70% of talents on GO-LIFE (which include on-demand massage service GO-MASSAGE, and on-demand cleaning service GO-CLEAN) are women, and that almost 50% of them are the breadwinners of their families. "This data highlights an increasing participation by women in the digital economy," said Paksi.

This study was carried out across nine cities in Indonesia² using a quantitative method through direct interviews with respondents. Respondents, who were chosen using a simple random sampling technique, have been active on GOJEK's platform within the last three months. The research sample included 3,886 GO-RIDE driver-partners; 1,010 GO-CAR driver-partners; 1,000 GO-FOOD's SMEs merchants; and 836 GO-LIFE talents. The research is one of the most comprehensive and extensive studies on Indonesia's digital economy sector, with a margin of error below 3.5%.

² Surveys for GO-RIDE, GO-CAR, and GO-FOOD SME partners were done in 9 cities (Balikpapan, Bandung, Greater Jakarta, Denpasar, Makassar, Medan, Palembang, Surabaya, Yogyakarta). Surveys for GO-LIFE were done in 6 cities (Bandung, Denpasar, Greater Jakarta, Jogjakarta, Surabaya, Medan).

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About LD FEB UI

Lembaga Demografi, Faculty of Economics and Business, Universitas Indonesia (LD FEB UI) is a leading research institution that adopts the idea of a “Demographic-based Development” approach. LD FEB UI aims to be the center of excellence in socio-economic issues that contribute to national development. LD FEB UI research topics include, among others, the demographic dividend, labor, health, social protection, SMEs, SDGs and CSR.

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FACT SHEET

LD FEB UI SURVEY IN 2018

GOJEK'S IMPACT ON THE INDONESIAN ECONOMY

Lembaga Demografi of the Faculty of Economics and Business of Universitas of Indonesia (LD FEB UI) is a research unit that carries out the academic mandate to utilise research for data-based policy making.

At the end of 2018, LD FEB UI conducted a research on the social and economic impact of on-demand applications in Indonesia, for which GOJEK was chosen as a case study. The research follows LD FEB UI's 2017 research on GOJEK's impact.

The study is aimed to understand the added economic impact created by GO-JEK, or to analyze added economic value derived from the additional income earned by GOJEK's driver-partners, SME merchants, and talent partners after they joined GOJEK.

The 2018 research involved surveys of 6,732 respondents as follows:

- 3,886 two-wheel driver partners (GO-RIDE)
- 1,010 four-wheel driver partners (GO-CAR)
- 1,000 SME partners (GO-FOOD)
- 836 GO-LIFE partners (GO-CLEAN and GO-MASSAGE)

The sample above represents GOJEK's partners population in the following cities:

- 9 cities for GO-RIDE, GO-CAR, and GO-FOOD (Balikpapan, Bandung, Denpasar, Greater Jakarta, Makassar, Medan, Palembang, Surabaya, Yogyakarta)
- 5 cities for GO-LIFE (Bandung, Denpasar, Greater Jakarta, Surabaya, Medan, Yogyakarta)

The research was executed with a quantitative method through direct interviews, using simple random sampling, with a margin of error below 3.5%.

The research findings are intended to be used to improve the public and the media's understanding on the positive social and economic impacts created by GOJEK in Indonesia, as well as to generate evidence-based analysis that can be utilized by stakeholders, including government, academic scholars, and industry professionals in Indonesia.

The main finding of the research is that GOJEK has had a significant social economic impact in Indonesia.

GOJEK Positively Contributes to the Indonesian Economy

GOJEK partners have contributed around US\$3 billion (IDR 44,2 trillion) in 2018 to the Indonesian economy in added economic value.

- An estimated contribution of **IDR 16,5 trillion** in 2018 to the economy through the income of GO-RIDE partners.
- An estimated contribution of **IDR 8,5 trillion** in 2018 to the economy through the income of GO-CAR partners.
- An estimated contribution of **IDR 1,2 trillion** in 2018 to the economy through the income of GO-LIFE partners.
- An estimated contribution of **IDR 18 trillion** in 2018 to the economy through the income of GO-FOOD SMEs' partners.

GOJEK increases its partners' average wage, which is above the minimum wage in Indonesia.

- The average income of GO-RIDE partners in Greater Jakarta is IDR 4,9 million, which is **above** the average minimum wage in Greater Jakarta of IDR 3,9 million.
- The average income of GO-RIDE partners outside the-Greater Jakarta Area is IDR 3,8 million, which is **above** the average minimum wage in the non-Greater Jakarta Areas³ of IDR 2,8 million.
- The average income of GO-CAR partners in Greater Jakarta is ~IDR 6 million, which is **above** the average of Greater Jakarta minimum wage of IDR 3,9 million.
- The average income of GO-CAR partners outside the Greater Jakarta Area is IDR 5,5 million, which is **above** the average minimum wage in the non-Greater Jakarta Areas⁴ of IDR 2,8 million.
- The average income of GO-LIFE partners in Greater Jakarta is IDR 4,8 million, which is **above** the average minimum wage in Greater Jakarta of IDR 3,9 million.
- The average income of GO-LIFE partners outside Greater Jakarta Area is IDR 4,3 million, which is **above** the average minimum wage in non-Greater Jakarta Areas⁵ of IDR 3,1 million.

GOJEK partners experience an increase in welfare and economic mobility after joining GOJEK.

- The average income and spending of GO-RIDE partners have increased
 - The average income of GO-RIDE increased by **45%** after they joined GOJEK

³ Average Minimum Wage of Balikpapan, Bandung, Denpasar, Makassar, Medan, Palembang, Surabaya, Yogyakarta

⁴ Average Minimum Wage of Balikpapan, Bandung, Denpasar, Makassar, Medan, Palembang, Surabaya, Yogyakarta

⁵ Average Minimum Wage of Bandung, Denpasar, Surabaya, Medan, Yogyakarta

- The average spending of GO-RIDE increased by **25%** after they joined GOJEK.
- The average income and spending of GO-CAR partners have increased
 - The average income of GO-CAR increased by **42%** after they joined GOJEK
 - The average spending of GO-CAR increased by **32%** after they joined GOJEK
- The average income and spending of GO-LIFE partners increased
 - The average income of GO-LIFE partners increased by **72%** after they joined GOJEK
 - The average spending of GO-LIFE partners increased by **19%** after they joined GOJEK

Partners are Optimistic About Their Partnership with GOJEK

GOJEK's partners are confident that they can improve their family's welfare by partnering with GOJEK

- The majority of GO-RIDE driver partners are confident that they can increase their family's welfare with GOJEK, with **87% of them feeling confident that they can provide a decent livelihood for their family** and **83% feeling confident that they can send their children to school.**
- The majority of GO-CAR driver-partners are confident about increasing their family's welfare with GOJEK, with **92% of them feeling confident that they can provide a decent livelihood for their family** and **91% of them feeling confident they can send their children to school.**
- The majority of GO-LIFE talent partners are confident that they can increase their family's welfare with GOJEK, with **96% feeling confident that they can provide a decent livelihood for their family** and **94% of them feeling confident that they can send their children to school.**

GOJEK's partners benefit from partnering with GOJEK

- Through partnering with GOJEK, the majority of GO-RIDE driver partners experienced three main benefits: **flexibility in work hours; financial ability to support their family;** and **having more time to spend with their families.** Furthermore, GO-RIDE driver partners are also see **a strong sense of solidarity with their fellow driver partners** (over 84%) as a benefit.
- Through partnering with GOJEK, the majority of GO-CAR driver partners experienced three main benefits: **flexibility in work hours; having more time to spend with their families;** and **the ability to have savings.**

GOJEK's partners view their partnership with GOJEK as positive

- The majority of GO-RIDE driver partners (86%) value their partnership with GOJEK as positive, with 83% of them seeing their opportunity to negotiate with GOJEK's management as positive; and 83% of them viewing their opportunity to have a dialogue with GOJEK's management as positive.
- The majority of GO-CAR driver partners (85%) value their partnership with GOJEK as positive, with 82% of them seeing their opportunity to negotiate with GOJEK's management as positive; and 81% of them viewing their opportunity to have a dialogue with GOJEK's management as positive.
- The majority of GO-LIFE partners (93%) value their partnership with GOJEK as positive, with 92% of them seeing their opportunity to negotiate with GOJEK's management as positive; and 91% of them viewing their opportunity to have a dialogue with GOJEK's management as positive.

GOJEK Increases the Scale of Small-and-Medium Sized Enterprises (SMEs), and Creates More Digital Entrepreneurship

GOJEK is a gateway to the digital economy

- The majority of GO-FOOD survey respondents are micro merchants with an annual revenue of **IDR 300 million (72%)**, and small merchants with an annual revenue of between **IDR 300 million and 2.5 billion (26%)**. *This classification is based on Indonesian Law 20/2008 on SMEs.*
- The majority of SMEs lack digital assets before partnering with GO-FOOD; with many of them only operating their businesses from physical stores (73%) or street stalls / shops (20%). Upon joining GO-FOOD, **93% SMEs have gone digital.**
- SMEs have adopted digital payments through the GO-FOOD ecosystem; **75% of SME respondents have been able to accept cashless transactions after partnering with GO-FOOD.**

GO-FOOD increases the revenue of its SMEs partners

- **55% of SME respondents saw an increase in their average revenue classification** after partnering with GO-FOOD.
- **85% of SME respondents invest revenues earned from GO-FOOD back to their business**, while **21% use that to procure assets**, allowing them to scale up.
- **93% of SME respondents saw an increase in their transaction volume after accessing GO-FOOD's wider consumer base** – with 74% of them seeing an increase of more than 10%.
- Main benefits of partnering with GO-FOOD as perceived by SMEs include an **increase in popularity (95%); increase in sales (97%); increase in revenue (97%);** and the **ability to acquire new customers (96%)**.

SMEs benefit from their partnership with GO-FOOD

- 98% of SME respondents appraise the partnership with GO-FOOD as equal and/or beneficial.
- 67% of SME respondents value marketing through the GO-FOOD app as sufficient - with none planning to push digital marketing outside the app (social media/internet).

The desire to adopt new technology and widen their access to market are respondents' main deciding factors in partnering with GO-FOOD.

GO-JEK Widens the Opportunity for More People to Access the Digital Economy

GO-LIFE enables its partners' to become more competitive

- GO-LIFE talent respondents perceive their partnerships with GOJEK as helping them **increase their income (97%); bring new customers (97%); and improve their skills and expertise (100%)**.
- Furthermore, **94% of respondents have acquired additional skills through training** after joining GO-LIFE.

GO-LIFE promotes equal and inclusive participation in the digital economy

- GO-LIFE increases female participation in the digital economy; **more than 70% of GO-LIFE survey respondents are female, and nearly 50% of them are breadwinners of their families**.
- The majority of respondents use earnings from GO-LIFE to support their family's livelihood, including their **children's education (76%), improving children's nutrition (48%), loan payments (32%), savings for business capital (32%), and vehicle credit loan payments (26%)**.
- The majority of female respondents **claim that their level of confidence and independence have improved since joining GO-LIFE**; 95% of respondents believe they are capable of fully providing for themselves without having to rely on others.

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